

LOCATED AT
KM. 0.8 SR #451, ENEAS WARD
SAN SEBASTIAN, PUERTO RICO



PREPARED FOR: RAFAEL EUSEBIO NAVEDO RIVERA & TANIA ORONA JIMENEZ

MONTANIA DAIRY FARM

EFFECTIVE DATE: FEBRUARY 23, 2011

SUBMITTED BY : MARIA A. GAZTAMBIDE

PROFESSIONAL REAL ESTATE APPRAISER

LIC. # 236, MIE #196

MARIA A. GAZTAMBIDE

REAL ESTATE APPRAISER

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February 23, 2011

Mr. Rafael Eusebio Navedo Rivera
& Tania Orón Jimenez
Montania Dairy Farm
Km. 0.8, SR. #451, Eneas Ward
San Sebastián, Puerto Rico, 00685

Dear Mr. Navedo;

In accordance with your request, I prepared an appraisal of an agriculture Dairy Farm property located at Km. 0.8, SR. #451, Interior, Eneas Ward, San Sebastian, Puerto Rico.

The purpose of this appraisal is to estimate the most probable sales price in "Fee Simple", according to the definition stated in this report and subject to the assumptions, limiting conditions and certificate herein as of February 23, 2011.

After a personal inspection of the properties as of February 20, 2011 a thorough investigation and analysis of the economic factors, the appraiser concludes that the market value of the subject property as of the effective date of this report was:

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

(\$ 2,500,000,000.00)

The following report represents the facts and conclusion in with our judgment of value is predicted.

Sincerely Yours,



Maria A. Gaztambide
Real Estate Appraiser
EPA LIC #236, MIE #196

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

LOCATION : Km. 0.8, SR. #451 Interior, Eneas Ward, San Sebastian, PR.

SITE : 125.00 Cuerdas.
Dairy Land, vacant Parcel and two story residential structures.

ZONING : Out of zoning

HIGHEST AND BEST USE : Agriculture

MARKET APPROACH : \$ 1,875,000.00

LAND VALUE

COST APPROACH : \$ 2,499,465.00

EFFECTIVE DATE : February 23, 2011.

FINAL VALUE ESTIMATE : \$ 2,499,500.00

FEE SIMPLE

An absolute fee; a fee without limitations to any particular class of heirs of restrictions, but subject to limitations of eminent domain, police power, taxation and inheritable estate.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the subject property in Fee Simple, as this property has been described in here, and subjecting this estimated value to all the limiting, contingent and other conditions that have been specified in this appraisal report.

FUNCTION OF THE APPRAISAL

The function of this appraisal is to serve as an impartial indication of value for the particular interest of the clients.

DATE OF THE APPRAISAL

February 23, 2011

DEFINITIONS

MARKET VALUE

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1- Buyer and seller are typically motivated.
- 2- Based parties are well informed or
- 3- A reasonable time is allowed for exposure in the open market.
- 4- Payment is made in cash or its equivalent.
- 5- Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
- 6- The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credit incurred in the transaction.

(Taken from the Real Estate Terminology Book, by Burl N. Boyce and
Published by the Real Estate Appraiser, today the Appraisers Institute.)

PROPERTY IDENTIFICATION

Subject property consists of two adjacent parcels; one with 50.00 cuerdas and the other with 50.00 cuerdas, House and Dairy Facilities.

---(A) RUSTICA: Radicada en el barrio Eneas del Municipio de San Sebastián, Puerto Rico, con una cabida de CINCUENTA CUERDAS, osea CIENTO NOVENTA Y SEIS MIL QUINIENTOS DIECINUEVE PUNTO SIETE MIL OCHOCIENTOS METROS CUADRADOS (196.519,7800 m.c.) En lindes por el Norte, con terrenos de Ignacio Hernández Romany; por el Este, con terrenos de Ignacio Hernández Romany, osea el remanente de la finca de la cual esta se segregado por el Sur, con terrenos de Ramón Rodríguez Molina, Aníbal Lamud Rodríguez solar de la Puerto Rico Reconstrucción Administración, #31-19-20-31-21 con terrenos de María Luisa Lamud e Isaías Vélez; y por el Oeste, con terrenos de María Luisa Glamour e Isaías Vélez y por el Oeste, con terrenos de David Monroig . Enclava una estructura de dos plantas dedicadas dedicada a vaquería y equipo de ordeno.-----

-----Inscrita al Doscientos ochenta folio ochenta (280) del Tomo Doscientos ochenta y ocho (288) del término municipal de San Sebastián, finca número Quince ciento ochenta t ocho (15, 180), inscripción séptima (7ma).

---(B) "RUSTICA: Radicada en Eneas del Municipio del San Sebastián, Puerto Rico, con una cabida de SETENTA Y CINCO CUERDAS DE TERRENO EQUIVALENTES A VEINTINUEVE HECTAREAS, CUATRO AREAS, SIETE CENTIAREAS Y OCHO MILIAREAS, en lindes por el Norte, con terrenos de Víctor Álvarez, William Fuentes Adames y Rogelio González Rivera; por Este, con terrenos de Ignacio Hernández Romany , osea remanente de la finca de la cual esta se segrega; por el Sur, con un solar de la Puerto Rico Construcción Administración #31-21, con terrenos de Isaías y por el Oeste, con David Monroig , Gregorio Guzmán Ramos, antes Rogelio Pérez Cardona y hoy Héctor Deliz, José Pérez Torres, Rafael Glamour, Sucesión Juan Antonio López y José Isabel Colon Pérez.

---Inscrita al folio Doscientos cincuenta y nueve (259) vuelto del tomo Quinientos (500) del término municipal de San Sebastián, finca número Quince mil ciento ochenta y cuatro (15-184) inscripción sexta. (6ta.).-----

---Ambas fincas figuran en el Centro de Recaudación de Ingresos Municipales

(CRIM) bajo el catastro número 130-000-001-10-901-----

---Las propiedades descritas bajo la letra "A" y "B" anterior están gravadas con Hipoteca en garantía de pagare suscrito bajo afidávit numero bajo afidávit número Tres mil setecientos cuarenta y ocho (3,748) a favor del Banco Bilbao Vizcaya Argentaria Puerto Rico, en garantía del pagare por la suma de Ochocientos cuarenta y siete mil dólares (\$847,000.00), al diez por ciento de interés anual (10%) respondiendo la finca "A" de Doscientos noventa y siete mil dólares (\$297,000.00 y la finca" respondiendo por la suma de Quinientos cincuenta (\$550,000.00) de principal. Vencimiento a la demanda y sujeta a la cláusula de aceleración, todo según surge de la Escritura pública número Trece (13) otorgada el trece (13) otorgada el trece (13) de dos mil (2,006) a la suma de Novecientos diecisiete mil trescientos setenta y dos dólares con nueve centavos (\$917,372.09)-----

-----C Cuota de leche asignada por la Industria Lechera de Puerto Rico bajo la licencia número Tres mil ciento setenta y siete consistente en Dieciocho mil (18,000) cuartillos a razón de treinta dólares (\$30.00) el cuartillo, entonces.

INSPECTION OF SUBJECT

Subject is composed of a Dairy Land Farm, a RC/CB residential structure, a wooden residential and a vacant parcel, as follows:

- Milking Facilities
- Open areas with
- Storage area
- Milking Parlor.
- Water Tank.
- Porch
- Aluminum Terrace.
- Bath, Machinery Area, Milking Tank.
- Porch and Stairs.
- Paved areas and fences
- Two Water Reserve Tanks
- Generator
- Oxidation Pond and others

SCOPE OF THE APPRAISAL

The purpose of this Appraisal Report is to estimate the Market Value of the Fee Simple Rights of the parcel of Land described here its Highest and Best Use as of February 23, 2011.

This appraisal assignment required several steps, first all pertinent information and documents were request and obtained from different sources, including legal description, additional general information about the Subject Property.

The next step was to visit the subject neighborhood in order to determine vehicular and activity around the subject. Neighborhood maps were examined to identify access and predominant uses of the area.

The property was inspected to identify physical characteristics and possible adverse physical easements. Flood maps prepared by the Federal Emergency Management Agency, were checked to determine the probability of flooding of the subject site. The Planning Board, zoning map of subject and immediate area examined, indicated as out of zoning, Agriculture actual use...

In developing the applicable approaches, a thorough analysis of comparable sales, used in order to value the site using the Direct Sales Comparison Approach, similar in use.

The information relating comparable sales obtained from the E. R. Real Estate Research Data, revised by the Registry Property, The Treasure Department (CRIM).

NEIGHBORHHOD ANALYSIS

Subject access by SR. #22, SR. #2 to SR. #451 and SR. #111 at about 1.00 hours minutes from metro area and 8 minutes downtown.

Arecibo is one of the largest municipalities with about twenty residential and rural wards. Subject property is located within the rural area of the Arecibo municipality at the Northeast part of the Island. The area is a well-known cattle raising and Dairy Farms in operation. As per the location, socio-economic and topography are good areas for this industry.

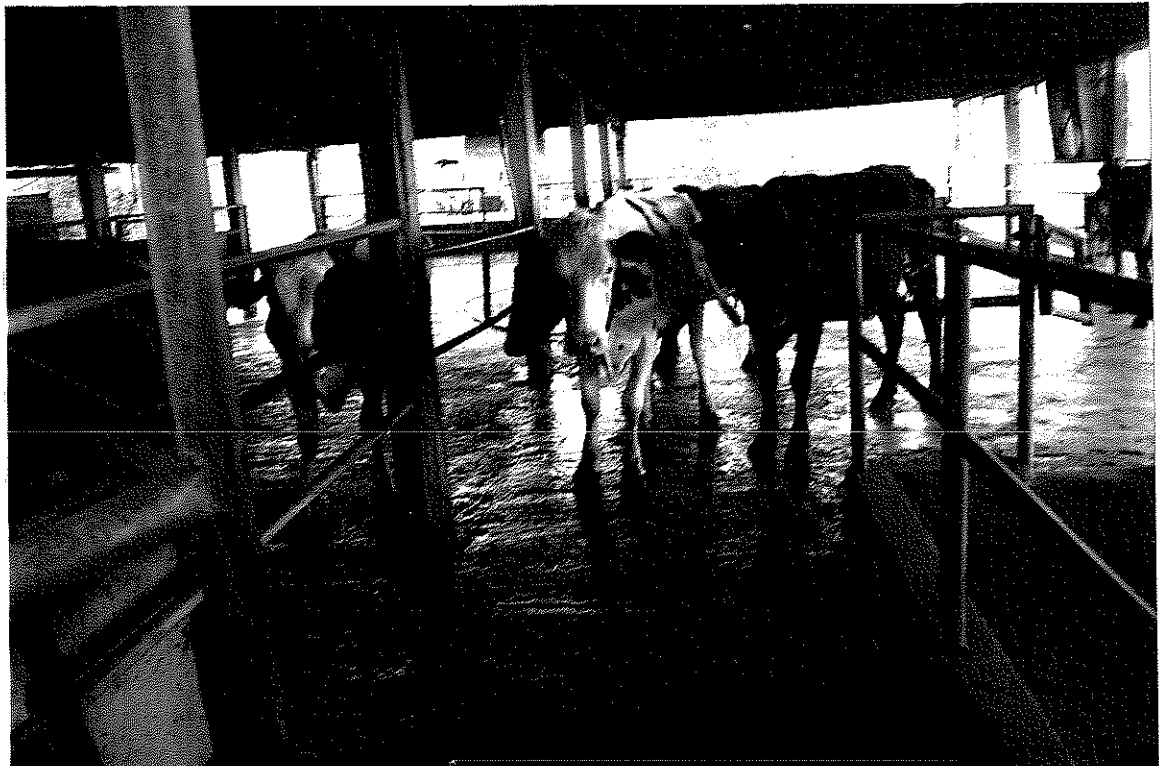
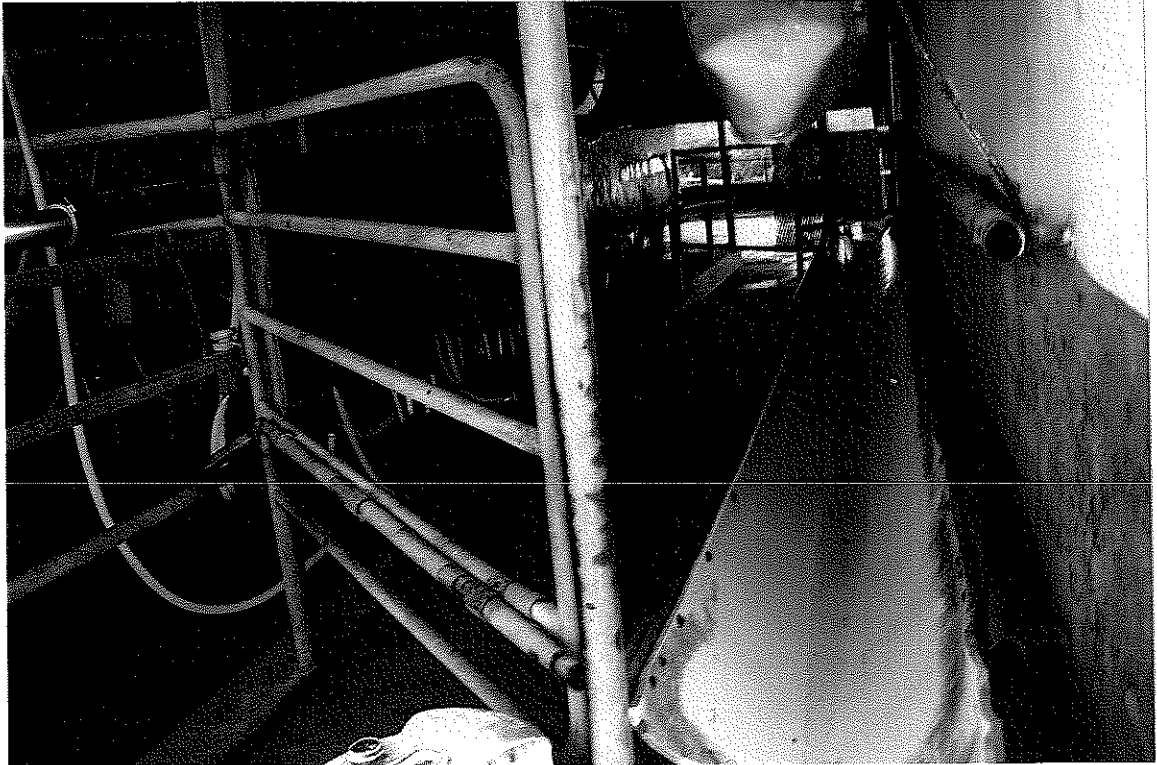
Adjacent towns such as Manati, Barceloneta, Florida, Hatillo, Camuy, Quebradillas, Lares and Utuado as part of the Government Southeast Sector.

There are adequate schools, universities, shopping centers, retail shops, police, fire and government regional center.

Subject is bounded by Factor 2 Community and residential properties at SR. #682; the area has all amenities, such as electric power water and telephone.

PHOTOS OF SUBJECT

Milking Parlor



PHOTOS OF SUBJECT

Oxidation pond



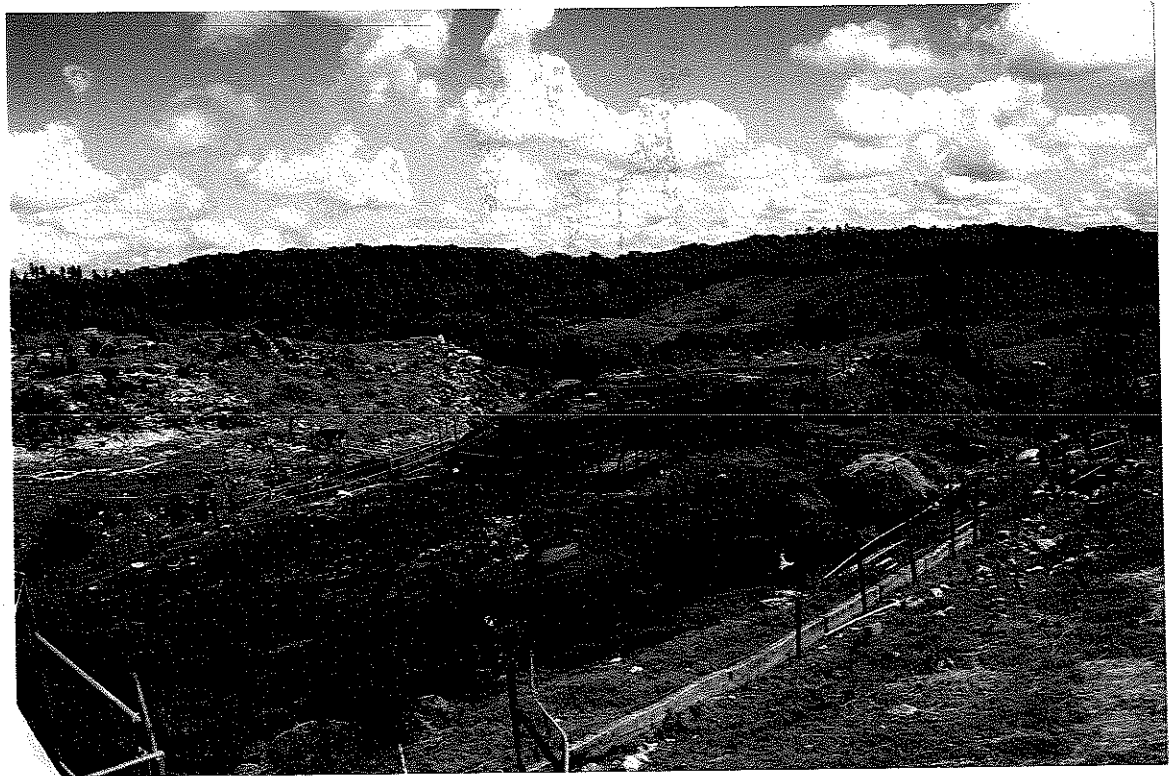
PHOTOS OF SUBJECT

Entrance to Dairy Farm



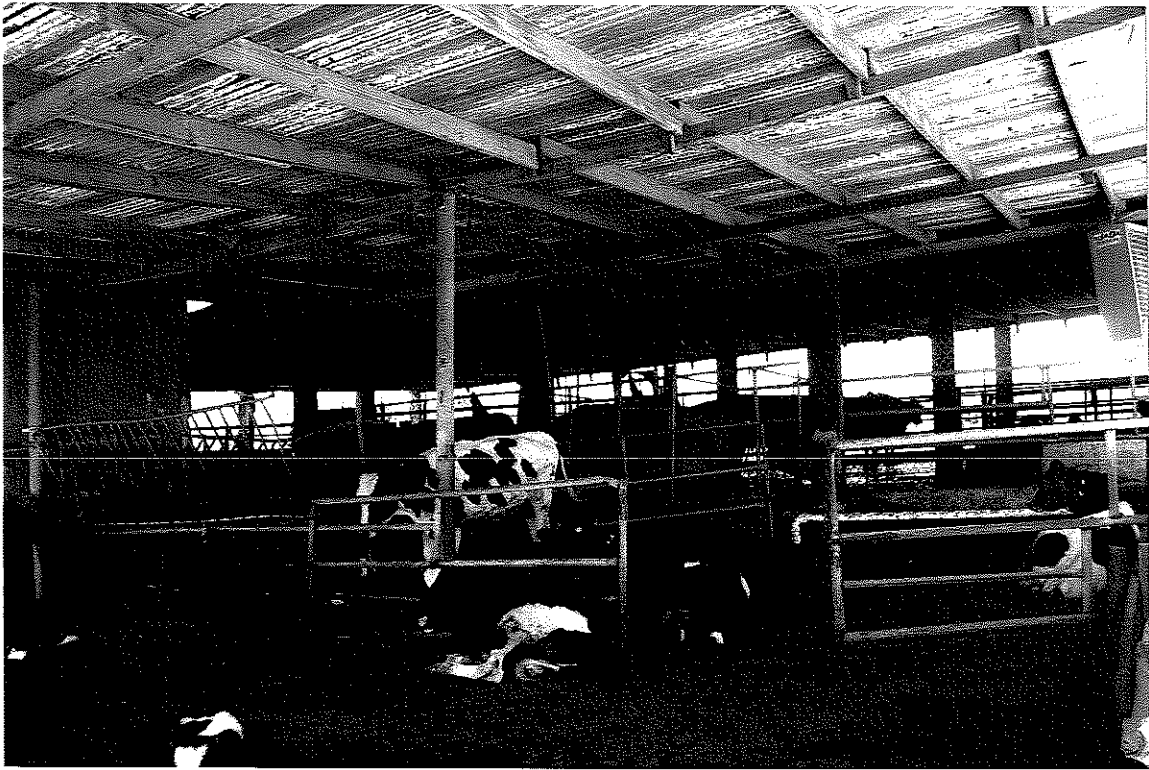
PHOTOS OF SUBJECT

Side and rear side view



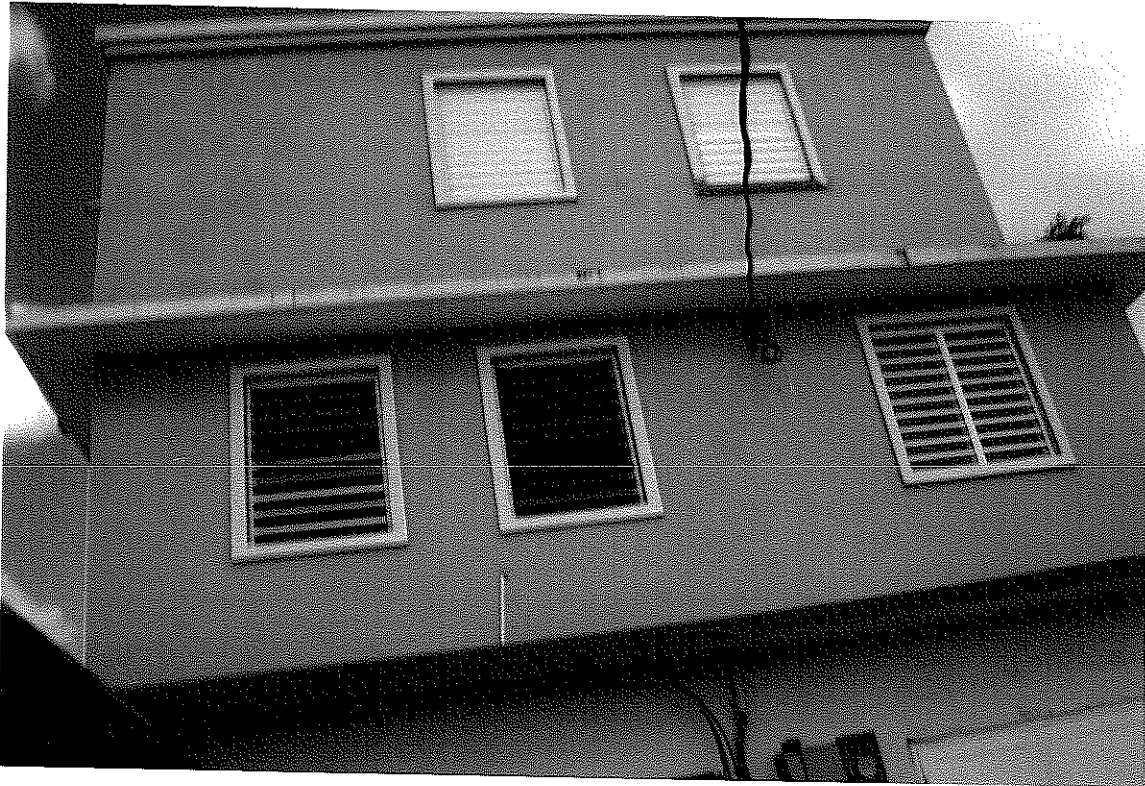
PHOTOS OF SUBJECT

Aluminum Terrace



PHOTOS OF SUBJECT

Residential Property



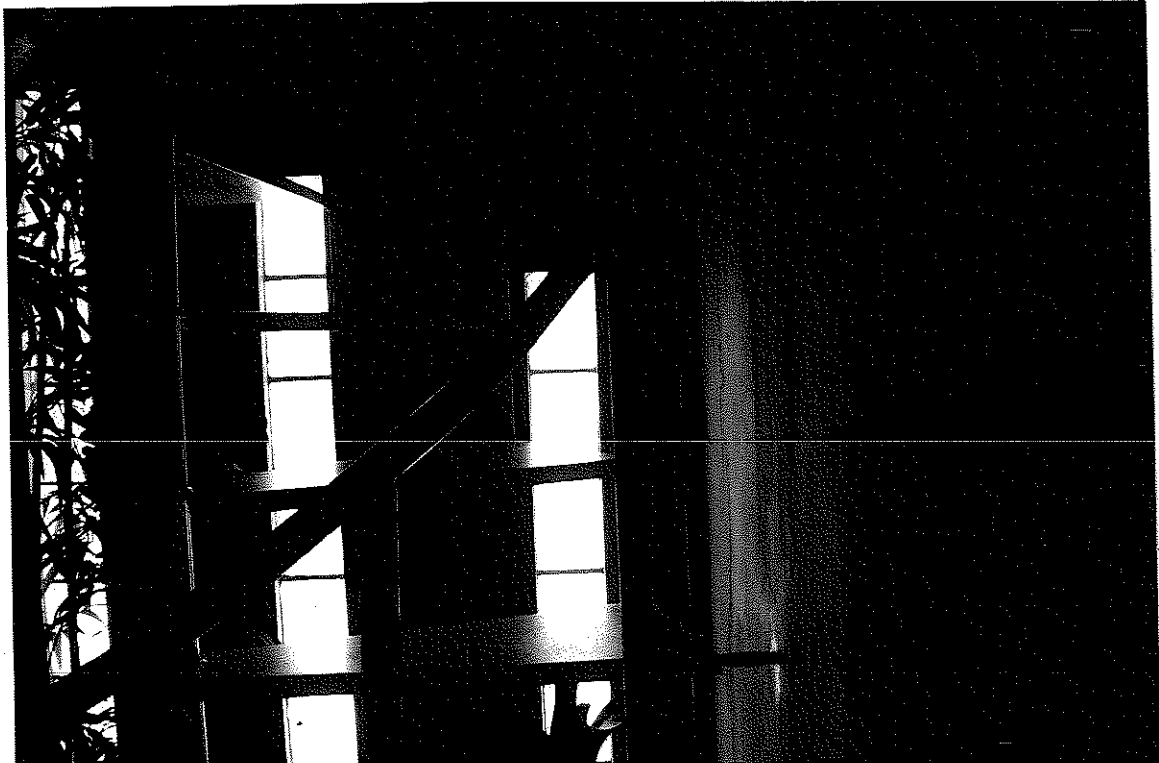
PHOTOS OF SUBJECT

Interior View



PHOTOS OF SUBJECT

Inside Photos



MARKETING TIME

Under "FIRREA", the appraiser required to estimate the marketing time for the real property being appraised. This marketing time estimate represents the estimate of the length of time necessary to sell a property interest in real estate, at the estimated market level during the period immediately date of the appraisal. Marketing time is the future price on current known and expected characteristics of the property, its environmental and the estate existing during that time period.

The ultimate future price that may be achieved at the conclusion of the marketing period may or may not equal the appraised value on the earlier valuation date, depending on potential changes during the marketing period in the physical real estate, demographic and economic trends, the real estate market and tendency and property operations, among other factors. A market conditions such as changes in the cost and availability of funds, not an isolated estimate of time alone.

Our estimate of marketing time was bases on one or more of more of the following:

- 1- Information gathered through sales verification.
- 2- Interview of market participants and review of investor survey.
- 3- Anticipated changes in the market conditions.

We concluded that a reasonable marketing time would be 1 year.

HISTORY OF THE SUBJECT

As per Deed information, the Parcels measurements are in the order of 125.00 Cuerdas.

OTHER PERTINENT DATA

FLOOD INFORMATIONFIR MAP 720000C0255H

CENSUS TRACT NUMBER.....7440-3001

Subject located in an area out of flood area. As per Fema Map as of April, 2005 Revised.

ZONING

Property is at Agriculture, out of zoning area.

TOPOGRAPHY AND SUBSOIL

Subject is level, slanting to hilly. The appraiser has not performed, nor has examined any subsoil studies. For the purposes of this report, the land is assumed to be adaptable for normal usage without abnormal expenditures.

EASEMENTS, EXPROPRIATIONS AND ENCROACHMENTS

The appraiser assumes that the land subject of this report is not free of easements, encroachments and contemplated expropriations.

TAX ASSESSMENT INFORMATION

The subject property is located in Arecibo Municipality; the Commonwealth's Treasure Department numbers identifies in the tax purposes as follows:

130-000-001-10-901

NOT PROVIDED

ENVIRONMENTAL DISCLAIMER

The value estimated in his report is based on the assumption that the property is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser is not experts in the identification of hazardous substance or detrimental environmental conditions.

The Appraiser detail visual inspection of and inquiries about the subject property did not developed any information that the indicated any apparent significant hazardous substance of detrimental environmental conditions which would affect the property negatively.

HIGHEST AND BEST USE

Real Estate is valued in terms of its Highest and Best Use of the land as if vacant and available for use may be different from the Highest and Best Use of the improve property. This will be true, when the improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of site.

Definition: That reasonable and probable use that will support the Highest and Best Use, as defined, as of the effective date, of the appraisal. Alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in the higher land value.

To established what the Highest and Best Use for the particular property as if vacant.

Also implied here is the fact that the determination of Highest and Best Use, results from the appraiser's judgment and analytical skill. I.e. that the use determined from analysis represents an opinion, nor a fact to be found.

In appraisal practice, the concept of Highest and Best Use represents the premise upon which value is based. In order to reach a final conclusion as to what the Highest and Best Use for the Subject Property is, there are some questions that have to be analyzed and finally answered.

SUBJECT HIGHER AND BEST USE CONCLUSION

Based on the questions in order to analyze Subject property's Highest and Best Use conclusion is as follows:

Based on the legality, or its zoning, property is out of city limit or zoning map, appraiser do not foresee any problem.

Based on physically possible use, also we do not foresee any problem.

As per economic and financially, under the projected market condition. This parcels are considered adequate and with little expensive and financial expenses, for Dairy Farm.

In this use, might not be the most profitable among the alternatives that are legal permissible, moreover is physical possible and economic feasible.

Subject parcels are a big parcel, used as Dairy land and residential,

Properties, considered as the Highest and Best Use.

PROPERTY SITE

As indicated in previous section, subject property is located in a rural area of San Sebastian. Parcels are irregular shape parcel with level, topography.

It has good access to major arteries of San Sebastian area. SR. #111, #451, #2 and SR. #22, SR. #2 to San Sebastian and Lares downtown and other nearby towns. Located with amenities and services such as gas stations, churches, community center, most needed service centers and schools can be found within reasonable distance drive by car.

Based on the analysis of the Neighborhood physical attributes, located influences, legal and permitted uses, subjects economical influences, also since the immediate area was designed primarily for Agricultural Uses.

At the inspection subject's property Highest and Best Use as per the rural regulation, based on the neighborhood use and the going concern of similar areas.

Subject is located at a little end road of SR. #451, part of a used Dairy Farm not in used. Based on the Highest and Best Use questions, legally permissibly, physical and financially feasible, all the alternatives, the most profitable for thee particular property.

THE APPRAISAL PROCESS

There are three approaches or techniques used by the appraiser to estimate the Fair Market Value of property. The Reproduction Cost, the Income and the Direct Sales Comparison Approach.

In the Cost Approach, reposition or replacement cost new of improvements. Less all and any kind of depreciation is estimated. This depreciated value of improvements, value of the site obtained from the Direct Sales Comparison Approach added and the indicated value for the Cost Approach is obtained.

The Direct Sales Comparison Approach or Market Approach is based on the substitution principle, which states that a prudent purchaser would pay no more for a property, than the cost to obtain a similar property with the same utility. With this method, value estimated by means of comparable, similar recent sales in the same neighborhood or in a similar one. Percentages or dollar amount adjustments to the sales price of the comparable sales are estimated for the characteristics differences between comparable and subject. Adjustments may be positive if the subject property is superior to the comparable or negative if the subject property is inferior to comparable.

The Income Approach to value is the method where anticipated income to be produced by the property (money or amenities) converted into an indication of value. When using this method, the effective gross income that property is capable of producing is estimated. Maintenance and operating expenses are subtracted from the effective gross income and a net income is estimated. The estimated net income is then capitalized or converted into a value estimate by means of a Capitalization Rate. In this case, the Income Approach to value method will not be used.

ESTIMATE OF REPRODUCTION COST

In this reproduction cost analysis, the appraiser attempts to estimate the amount of money necessary to reproduce existing property with the same utility as Subject Property. Cost must be the Cost of reproducing an exact replica of subject's improvements, in the same location as of the date of the appraisal, including all direct and indirect costs. Accrued depreciation that has been experienced by the improvements has to be estimated: broken down into five major types of loss in value or categories which must be considered and measured when found area:

CURABLE PHYSICAL: which include deferring maintenance.

INCURABLE PHYSICAL: is classified into short-lived items which are those components of the structure whose remaining economy. Economic life is of the entire structure, and long-lived items, which are those components of the structure.

CURABLE FUNCTIONAL OBSOLESCENCE: is the reduction in utility resulting from the decreased capacity of the structure or part thereof to perform the function for which it is intended. The measure of diminished utility is the cost to affect the cure.

INCURABLE FUNCTIONAL OBSOLESCENCE: when it is a deficiency, measured by rent loss attributable to the defiance in comparison with standards competitive properties; it may be super-abundance, (over improvements) measured by the capitalized value of rent loss due to condition.

ECONOMIC OBSOLESCENCE: is a result of diminished utility to the property due to negative forces outside the boundaries of the site and for which there is no control. It is the impairment of desirability arising from factors external to the property, such as economic forces, which affect supply and demand relationship in the market. The comparative method for estimating the total reproduction cost of the subject improved property will not be utilized. In this method, the unitary cost of building on the basis of a unitary cost.

INCOME APPROACH

This approach has its premise the estimation of the amount of net income had an income-producing property, under capable management would produce, which when capitalized will indicate the present value of an income stream; in our case this approach was not utilized.

DIRECT COMPARISON APPROACH

In this analysis of the Direct Sales Comparison Approach, since subject site is considered as vacant, the appraisers gathered data on transacted recent similar sales in same area. These were analyzed in respect to their size and other pertinent factors applicable to the valuation of this property.

Of all the comparable sales founded and studied, the ones presented here, are the ones that could be considered the most similar and sufficiently Comparable to the subject property and suitable for use in developing the Direct Sales Comparison.

The following are the sales analyzed with all pertinent information, given in detail:

JUSTIFICATION OF LAND VALUE

In order to develop the Cost Approach to Value, the site value has to be estimated. This estimate is derived by investigating land or land value of sales within the subject's area. The sales presented in the following pages area considered the best comparable at the appraisal time. The sales price as well as the date of sale and other pertinent data necessary was confirmed by the seller, buyer or other person (s) involved or aware in the transaction. All sales used to estimate the subject's site market value will be analyzed in order to account for differences encountered between them and later adjusted to the subject.

From the sales, gathered at CRIM files, the most similar sales were utilized as follows:

COMPARABLE NO. 1

Location : Parcels at Eneas Ward, San Sebastian, PR.
Description : 3 Parcels
Highest & Best Use : Agriculture
Grantor : Edwin Quiles González
Grantee : Edwin Cardona Méndez
Date of Sale : January 30, 2006
Area of Parcel : 93.36 Cuerdas
Sales Price : \$ 820,000.00
Value/Cuerda : \$ 8,783.00
Legal Data : Deed #78, Ismael Perez Nieves, attorney
Registry : Book #190; Page #497; Farm #12302
Property Number : 30-130-000-002-42-000,30-130-000-002-26-901,
30-130-000-007-01-000

COMPARABLE NO. 2

Location : Vaquería Castro Morovis, PR., PR.
Description : Vacant Parcel
Highest & Best Use : Agriculture
Grantor : Vaquería NFM, Inc. Carlos Fernández (501-0927)
Grantee : Eduardo Rivera Rivera (878-0044)
Date of Sale : June 30, 2006
Area of Parcel : 171.58 Cuerdas
Sales Price : \$ 1,686,380.00
Value/Cuerda : \$ 9,829.00
Legal Data : Deed #8, Gustavo Marrero Irizarry, attorney (728-6313)
Registry : Book; #57; Page #308; Farm #3552

COMPARABLE NO. 3

Location : Dairy Farm, Torrecillas, Morovis, PR.

Description : Improved Parcel

Highest & Best Use : Agriculture

Grantor : Vaquería NFM, Inc. Carlos Fernández (501-0927)

Grantee : Eduardo Rivera Rivera (878-0044)

Date of Sale : June 30, 2006

Area of Parcel : 191.76 Cuerdas

Sales Price : \$ 2,425,700.00

Improvement : \$ 800,000.00

Surplus to Land : \$ 1,625,700.00

Value/Cuerda : \$ 8,478.00

Legal Data : Deed #8; Gustavo Marrero Irizarry, attorney

Registry : Book #175; Page #309; Farm #3545.

COMPARABLE NO. 4

Location : Km. 15.3 SR. #111, Pozas Ward, San Sebastian, PR.
Description : Dairy Land Parcel
Highest & Best Use : Agriculture
Grantor : Jose Cardona Nieves
Grantee : Wilson Valentin Acevedo
Date of Sale : July 19, 2006
Area of Parcel : 48.56 Cuerdas
Sales Price : \$ 1,800,000.00
Improvements : \$ 400,000.00
Surplus to Land : \$ 1,400,000.00
Value/Cuerda : \$ 28,830.00
Legal Data : Deed #61 Miguel Roman Villanueva, attorney
Registry : Book #85; Page #461; Farm #4558
Property Number : 30-099-000-008-14-000

SUMMARY OF LISTED SALES

Sale #	Date	Sales Price	Area
1	01/06	\$ 820,000	93.36
2	06/06	\$ 1,686,380	171.58
3	06/06	\$ 2,425,700	191.76
4	07/06	\$ 1,800,000	48.56
MAXIMUM		\$ 2,425,700	191.76
AVERAGE		\$ 1,800,000	93.36
MINIMUM		\$ 820,000	48.56

From the preceding summary of listed sales various factors can be observed:

The sales data range from the most recent sale recorded from 1/06 to 7/06. Comparabable, considered contemporaneous and based on the market conditions observed, no time adjustment needed. The Appraiser utilized from adjacent towns, similar in area. Other larger parcels, lately sold for developments not for agriculture.

Subject Parcel A sold for \$ 917,372 with 49.94 Cuerdas at \$ 18,369.00 at February 20, 2011.

The sales price range from maximum \$2,425,700,000 to a minimum \$820,000, with and the average of \$1,800,000. Parcel area range from a maximum of 191.76 cuerdas to a minimum of 48.56 cuerdas and the average of 93.36 cuerdas.

DETERMINATION OF VALUE BY THE LAND RESIDUAL TECHNIQUE

SALE #	1	2	3	4
SALES PRICE	\$ 820,000	\$1,686,380	\$ 2,425,700	\$ 1,800,000
DATE OF SALE	01/06	06/06	06/06	07/06
IMPROVEMENTS	N/A	N/A	- 800,000	- 400,000
SIZE OF PARCEL	93.36	171.58	191.76	48.56
SURPLUS PER			\$ 1,625,700	\$ 1,400,000
CUERDA	\$ 8,783	\$ 9,829	\$ 8,478	\$ 28,830
LOCATION ADJ.	-0-	+ 1.10	-0-	-0-
ACCESS ADJ.	+ 1.05	+ 1.05	+ 1.05	+ 1.15
TOPOGRAPHY	-0-	-0-	-0-	-0-
NET ADJ.	\$ 11,067	\$ 13,692	\$ 9,792	\$ 33,155
SIZE ADJ.	- 2,801	+ 1,075	+ 5,230	- 20,275
UNITARY VALUE	\$ 8,266	\$ 18,794	\$ 15,022	\$ 12,880

COMPARABLE LAND SALES ANALYSIS

Comparable Sale No. 1, sold for \$820,000.00 in January, 2006, with 93.36 Cuerdas at \$8,783/Cuerda. Located at Eneas Ward, San Sebastian, being used as a pasture parcel. Similar in location inferior in access, similar in topography and inferior in parcel size. After the appropriate adjustments, the adjusted value is in the order of \$8,266/Cuerda.

Comparable Sale No. 2, sold for \$1,686,380 in June, 2006 with 171.58 Cuerdas at \$9,829/Cuerda. Located at Vaquero Castro at Monrovia. Inferior in location, access and similar in topography and superior in parcel size. After appropriate adjustments, the adjusted value in the order of \$18,794/Cuerda.

Comparable Sale No. 3 sold for \$2,425,700 in June, 2006 with 191.76 Cuerdas at \$8,478/Cuerda. Located at Torrecillas, Ward, Morovis. Similar in location inferior in access, in topography, similar in topography and superior in parcel size. After the appropriate adjustments, the adjusted value is in the order of \$15,022/Cuerda.

Comparable Sale No. 4 sold for \$1,800,000 in July, 2006 with 48.56 Cuerdas at \$28,830/Cuerda. Located at Pozas Ward, San Sebastian, being used as a Dairy Farm. Similar in location, inferior in access, similar in topography and in inferior in parcel size. After the appropriate adjustments, the adjusted value is in the order of \$12,880/Cuerda.

The maximum is \$18,794/Cuerda, the minimum of \$8,266/Cuerda and the average \$15,022/Cuerda.

Based on the above evidence, is the appraiser's opinion that the most probable sales price
\$15,022/Cuerda.

Therefore; 125.00 Cuerdas @ \$15,000 = \$ 1,875,000.00

COST APPROACH

Reproduction Cost New

I.	A.	RC House	936 sf. @ \$ 150.00 =	\$ 140,400	
	B.	Porch and outside/inside stairs		5,000	
	C.	Electric Generator		7,000	
	D.	Milking Tank		15,000	
	E.	Water Tanks & Pump		12,000	
	F.	Reserve Water Tank		10,000	
	G.	Feeding, Storage	3,096 x \$50.00 =	154,800	
	H.	Deep water hole		12,000	
	I.	Oxidation pond		8,000	
	J.	Milking Area	468 x \$60.00	28,080	
	K.	Aluminum Terrace	3,450 x \$10.00	34,500	
	L.	Concrete & Paved Areas L. S.		12,000	
	M.	Fences	L. S.	20,000	\$313,380.00

Less Depreciation

1 a. RC 2 Story house, Porch, outside & inside stairs \$ 145,400

2. A. Physical Curable Repairs N/A

b. Physical Actual Age 4 yrs.

c. Effective Age (yrs.) 2

d. Economic Life (yrs.) 60

e. Depreciation (a/b) .03

$$\text{\$ } 145,400 \times 0.3 = 4,081$$

Depreciated Value of 2 story house \$145,400 - 4,081 \$ 141,319*

f. RC Improvements \$ 182,880

$$\text{\$ } 182,880 \times 5/60 = 0.8\% =$$

$$\text{\$ } 146,304 - 0.8 - 11,704$$

\$ 171,176*

g. Other Improvements \$ 130,500

$$\text{\$ } 130,500 \times .06 = - 7,830$$

\$ 122,670*

INDICATED VALUE THE COST APPROACH \$ 435,165

CATTLE RANCH

Value

1- Milking Cattle	89	\$ 89,000.00
2- Rasing Cattle	60	\$ 60,000.00
3- Calfskin 1-7 month	12	\$ 1,500.00
4- Young Cow 8-24 mo.	60	\$ 36,000.00
5- Bulls	<u>4</u>	<u>\$ 2,800.00</u>
Total	225	\$189,300.00

Equipment

Caterpillar 1 \$ 4,000.00
2 Cars 2 \$ 3,000.00
3 Trucks 3 \$ 900.00
6 \$ 7,900.00

\$ 189,300

+\$ 435,165

Total Value of Improvements

\$ 624,465

Land Value

125.00 cuerdas @ \$15,000 + 1,875,000
Indicated Value by the Cost Approach \$ 2,499,465

FINAL RECONCILIATION OF VALUE

The appraiser estimated the subject property Market Value by two methods, obtaining the following results:

MARKET APPROACH-Land Value	\$ 1,875,000.00
COST APPROACH	\$ 2,499,465.00

The Cost Approach was estimated using the Direct Comparison Approach the market value of the subject parcel and structure. This analysis is generally good, accepted when valuing new or proposed or proposed building and improvements represent the highest and best use of the land.

The Cost Direct Sales Comparison Approach is based in the principle of substitution; a well informed investor would pay no more for a property, than the cost to acquiring property, with the same utility. This valuation fails where is an inactive market or in estimating for no real comparable sales data available.

In conclusion, after the due consideration and based on the report the appraiser's opinion is that the subject property's market value as defined in fee simple and as the effective date of the appraisal report is in the order of :

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

\$ 2,500,000.00

Cordially yours,



Maria A. Gaztambide
Real Estate Appraiser
LIC. #236, MIE #196

Adenda

This soil is not suitable for clean cultivation. Its use is limited mainly to pasture, woodland, or wildlife habitat. This soil is mainly in native pasture, but a few areas are cultivated occasionally and used for subsistence crops. Some areas are in brush. This soil is somewhat difficult to work. Slope, runoff, shallowness to bedrock, and hazard of erosion are among the limitations that cannot be corrected. The improvement of pasture by such practices as seeding, liming, controlling brush, and controlling water is practical. (Capability unit VIe-30; woodland group 1d1)

Soller clay, 20 to 40 percent slopes (StE).—This soil is on side slopes and ridges of uplands that are underlain by hard limestone. It has the profile described as representative of the series. Erosion is a hazard.

Included in mapping were some areas of soil that is calcareous at the surface, and areas where there are limestone outcrops and cobblestones, especially on hilltops. Also included were small areas of a soil that has no substratum but does have a subsoil that is immediately underlain by hard limestone. These areas are common but make up 15 percent or less of the acreage.

This soil is not suitable for cultivation. Its use is restricted mainly to grazing, woodland, and wildlife habitat. Slope, shallowness to bedrock, and hazard of erosion are limitations. The improvement of pasture by such practices as fertilizing, seeding, and controlling water is not practical. (Capability unit VIIe-9; woodland group 1d1)

Talante Series

The Talante series consists of somewhat poorly drained soils that are strongly acid and rapidly permeable. These soils are shallow to sand. They formed in alluvial loamy sediments that are underlain by sand. The depth to a seasonal water table ranges from 18 to 40 inches. The climate is humid. Rainfall amounts to 70 to 80 inches, and the annual temperature ranges from 77° to 80° F.

In a representative profile the surface layer is dark-brown, strongly acid loam about 8 inches thick. The subsoil, to a depth of about 17 inches, is dark-brown, strongly acid, very friable, nonsticky and slightly plastic loam that has few to common mottles of dark reddish brown and dark yellowish brown. The upper part of the substratum is dark yellowish brown, coarse sand that has common medium mottles of dark reddish brown and a few fine mottles of pale green. The lower part, to a depth of more than 60 inches, is dark yellowish-brown fine sand that has common medium mottles of dark reddish brown and a few fine mottles of green. The subsoil and substratum contain a few fine and medium black concretions.

Most of the acreage has been in sugarcane for a long time.

Representative profile of Talante loam, 30 meters east of kilometer marker 0.6 on Highway No. 341.

Ap—0 to 8 inches, dark-brown (7.5YR 3/2) loam; weak, fine, granular structure; friable, nonsticky and slightly plastic; common fine roots; strongly acid; gradual, smooth boundary.

Este suelo no se presta para cultivo limpio. Su uso está limitado mayormente a pastos, bosques, o habitat de vida silvestre. Este suelo está mayormente en pastos nativos, pero algunas áreas se cultivan ocasionalmente y se usan para cosechas de subsistencia. Algunas áreas están en breñales. Este suelo es de laboreo un tanto deficiente. El declive, el escurrimiento, la poca profundidad a la roca, y el peligro de erosión están entre las limitaciones que no pueden ser corregidas. El mejoramiento de pastos por prácticas tales como siembra, enclamiento, control de malezas, y control de agua es práctico. (Unidad de capacidad VIe-30; grupo de bosques 1d1)

Soller arcilloso, 20 a 40 por ciento de declive (StE).—Este suelo está en laderas y en cumbres de las alturas que yacen sobre roca caliza dura. Tiene el perfil descrito como representativo de la serie. La erosión es un peligro.

Se incluyen algunas áreas donde el suelo es calcáreo, en la superficie, y otras áreas que tienen afloramientos de roca caliza y guijarros, especialmente en las cumbres. También se incluyen áreas pequeñas de un suelo que no tiene horizonte C, pero en el cual el subsuelo yace inmediatamente sobre la roca caliza dura. Estas áreas son comunes pero alcanzan al 15 por ciento o menos del cuerdaje.

Este suelo no se presta para cultivo. Su uso está restringido mayormente a pastoreo, bosques o habitat de vida silvestre. El declive, la poca profundidad a la roca, y el peligro de erosión son limitaciones. El mejoramiento de pastos por prácticas tales como abonamiento, siembra, y control de agua no es práctico. (Unidad de capacidad VIIe-9; grupo de bosques 1d1)

Serie Talante

La serie Talante consiste de suelos que tienen desagüe un tanto pobre y que son fuertemente ácidos y rápidamente permeables. Estos suelos son poco profundos a la arena. Se han formado en sedimentos lómicos aluviales que yacen sobre arena. La profundidad al nivel freático estacional varía desde 18 hasta 40 pulgadas. El clima es húmedo. La lluvia es desde 70 hasta 80 pulgadas, y la temperatura anual varía desde 77° hasta 80° F.

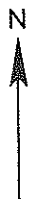
En un perfil representativo la capa superficial es pardo oscura, fuertemente ácida, lómica, y de alrededor de 8 pulgadas de espesor. El subsuelo, hasta una profundidad de alrededor de 17 pulgadas, es pardo oscuro, fuertemente ácido, muy friable, no pegajoso y ligeramente plástico, lómico con manchas de color pardo rojizo oscuro y pardo amarillento oscuro. La parte superior del substrato es pardo amarillento oscuro, de arena gruesa que tiene manchas comunes medianas pardo rojiza oscura y manchas finas de color gris pálido. La parte inferior, hasta una profundidad de 60 pulgadas, es pardo amarillento oscuro, de arena fina, que tiene manchas comunes medianas color pardo rojizo oscuro, y manchas finas de color verde. El subsuelo, y el substrato tienen concreciones finas y medianas color negro.

La mayor parte del cuerdaje ha estado en caña de azúcar por largo tiempo.

Perfil representativo de Talante lómico, 30 metros al este del marcador de kilómetros 0.6, en la carretera no. 341.

Ap—0 a 8 pulgadas, lómico, pardo oscuro (7.5YR 3/2); con estructura granular débil fina; friable, no pegajoso y ligeramente plástico; raicillas comunes; fuertemente ácido; límite gradual liso.

24



1 Mile
5 000 Feet

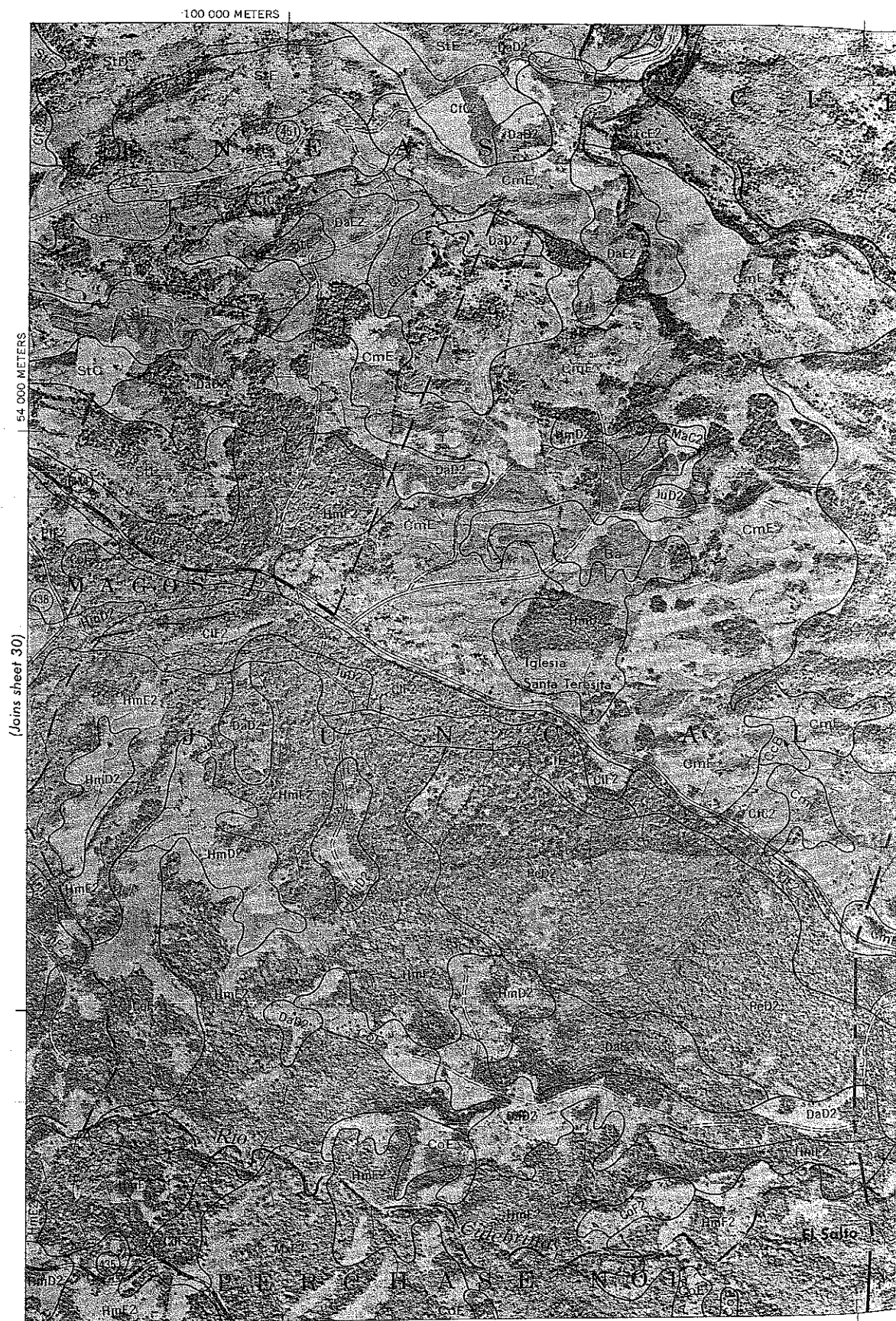
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(Joins sheet 23)



(Joins sheet 31)

MAYAGUEZ AREA, R JERTO RICO NO. 31



Photobase from 1950, 1963, and 1964 aerial photography. Locations of 2,000-meter grid ticks are approximate and based on the Puerto Rico coordinate system. 1940 adjustment, Puerto Rico datum.

SKETCH/AREA TABLE ADDENDUM

Case No G-2011-6

File No DAIRYFARMSSEBASTIAN

Property Address KM 2.8 INT. SR #451, ENEAS WARD

City SAN SEBASTIAN

County #131

State PR

Zip 00685

Borrower

Lender/Client RAMON EUSEBIO NAVEDO RIVERA

Appraiser Name MARIA A. GAZTAMBIDE LIC #236

Appr Address P.O. BOX 1224, AGUAS BUENAS, PR. 00703

DAIRY FARM IMPROVEMENTS



Comments:

Scale: 1" = 20'

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	STORAGE	468.0	468.0
GLA9	Water/Tnk	299.0	299.0
OTH	MILKING AREA	592.0	
	storage/tank	486.2	
	Storage	2160.0	
	terrace	1620.0	
	water/TNK	182.0	5040.2

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
STORAGE	18.0	x 26.0	468.0
Water/Tnk	23.0	x 13.0	299.0

SKETCH/AREA TABLE ADDENDUM

Case No G-2011-6

File No RESDAIRYFARM

Property Address KM. 2.8 INT. SR. #451, ENEAS WARD

City SAN SEBASTIAN

County #131

State PR

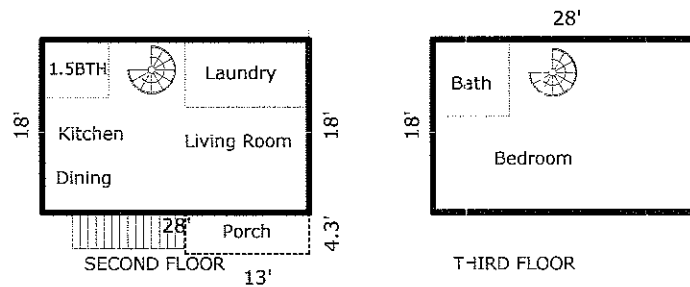
Zip 00685

Borrower

Lender/Client RAMON EUSEBIO NAVEDO RIVERA

Appraiser Name MARIA A. GAZTAMBIDE LIC #236

Appr Address P.O. BOX 1224, AGUAS BUENAS, PR. 00703#131



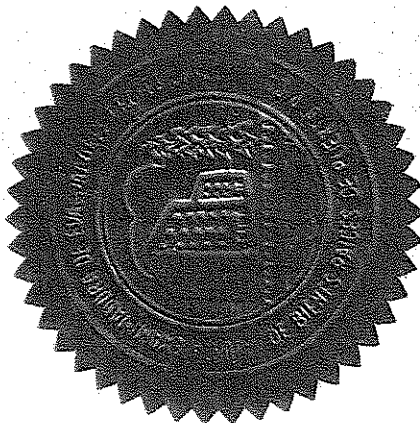
Comments:

Scale: 1" = 20'

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	504.0	
	First Floor	504.0	1008.0
P/P	Porch	55.9	55.9

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
28.0	x	18.0	504.0
18.0	x	28.0	504.0

Estado Libre Asociado de Puerto Rico
Departamento de Estado
Junta Examinadora de Evaluadores Profesionales de Bienes Raíces



Por la presente se certifica que

María A. Gaztambide Soegaard

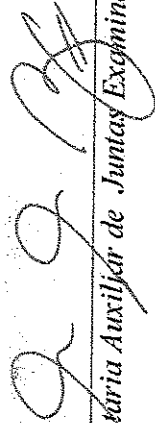
*habiendo cumplido con los requisitos de Ley, ha sido
inscrito en el registro de esta Junta como*

Evaluador Profesional de Bienes Raíces

Licencia Número: 236EPA


*(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)
En testimonio de lo cual se expide esta Licencia para el ejercicio
de dicha profesión bajo el Sello de la Junta.*

En San Juan, Puerto Rico, hoy día 22 de agosto de 2008.


Secretaría Auxiliar de Juntas Examinadoras

21 de agosto de 2012

Fecha de Expiración


Presidenta de la Junta